

EXHIBIT E



Box 300 - Correspondence Unit
100 South Jefferson Road
Whippany, NJ 07981

PC000425

Premio Computer, Inc.
Steve Newton
938 RADECKI CT
CITY OF INDUSTRY CA 91748-1132





Schools and Libraries Division

SERVICE PROVIDER NEXT STEPS

WHAT YOU SHOULD DO AFTER GETTING THIS LETTER

One or more of your customers, as indicated on the enclosed Funding Commitment Decisions Letter (FCDL) from the Schools and Libraries Division (SLD), have received decisions on their requests for E-rate discounts on telecommunications-related services that you provide. This guide is included with your copy of the FCDL to make sure you know what must happen next in order for each of your customers to receive any approved discounts—and for you to receive reimbursement for those discounts. The steps that follow lay out your responsibilities as a service provider in providing the discount, and offer you a rough estimate of the timeframe involved.

1. Your customer has been sent a similar copy of the enclosed FCDL with information about SLD's decision regarding the discount request. From this step forward, it will be important for you and your customer to work together to make any approved discounts a reality.
2. Your customer is required to file a FCC Form 486 to indicate to the SLD that the services eligible for discounts provided by your company are being received. Your customer is asked to file this Form 486 within 5 days of receipt of the FCDL for services already in place, and within 5 days of any new services starting.
3. Following receipt and processing of the Form 486, we'll send you a Form 486 Notification Letter. This letter will show the Service Start Date that the SLD will use in calculating the customer's discount. That's the earliest date you can invoice the SLD for discounts you provide to that customer.
4. Once you receive the Form 486 Notification Letter, you can begin to invoice the SLD for discounts you provide to your customer. You invoice us for the discounted portion of the cost, and your customer for the undiscounted portion of the cost.
5. To invoice SLD for the discounted portion of your customer's bill, you complete FCC Form 474, Service Provider Invoice Form, and submit it to the SLD. A copy of Form 474 will come with your Form 486 notification letter, or you can download it from our Web Site, www.sl.universalservice.org. If you are interested in electronic invoicing, please send an e-mail to csolomi@neca.org for complete instructions and software.
6. You should invoice the SLD at the same time that you normally invoice your customer--monthly, quarterly, semi-annually, or annually for recurring services; one-time only or in installments for non-recurring services. Remember: you can't invoice us before you invoice your customer.
7. Once we receive your Service Provider Invoice/Form 474, we're committed to processing it within 20 days—assuming the invoice is correctly completed. The SLD then turns the invoice over to the Universal Service Administrative Company (USAC) for payment. USAC also commits to complete its review and issue payment within 20 days. Under this scenario, you can expect to receive payment of a properly completed and submitted Form 474 within 40 days.

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- 8. If your invoice is completed incorrectly, you should expect to be notified by us to correct the mistake. However, if the error occurs in Block 1 of the Form 474—where you identify yourself—we will reject the invoice in full and return it to you, because we will not be able to begin entering the invoice into our data system.
- 9. Once USAC processes its portion of your Form 474, and before you receive a check, you will get a USAC Remittance Statement. This statement will include information relating to all of your invoices processed during that particular period. **PLEASE save the information contained in this Remittance Statement—you will need it to properly allocate the funds that you will receive in the USAC check that follows.**
- 10. If you need more information, please visit the service provider area of the SLD Web Site at www.sl.universalservice.org or call our toll-free Client Service Bureau at 888-2038100.

USAC
UNIVERSAL SERVICE
ADMINISTRATIVE CO.

SCHOOLS AND LIBRARIES DIVISION
Box 125 - Correspondence Unit
100 South Jefferson Road
Whippany, NJ 07981

Premio Computer, Inc.
Steve Newton
938 RADECKI CT
CITY OF INDUSTRY CA 91748-1132

October 26, 1999

Premio Computer, Inc.
Service Provider Identification Number: 143008583

Thank you for participating in the E-rate program for the 1999-2000 program year. This letter is your notification of our decisions regarding applications that listed your company's Service Provider Identification Number (SPIN) as providing service(s) eligible for discounts.

As was the case in program Year 1, there are a number of steps that need to be completed in order to implement E-rate discounts. In an effort to expedite the process of implementing discounts, we are providing detailed information regarding the status of your customers' requests for discounts in the form of a series of Funding Commitment Reports. Attached are reports of our decisions made to date for customers listing your SPIN in their Form 471 applications. Each report contains detailed information extracted from the applicant's Form 471 and well as an explanation of our decision regarding the request.

Also included is a guide defining the elements of a Funding Commitment Report. If you have questions regarding any decisions on the funding requests associated with your company's SPIN, please contact us in writing at: Question, Schools and Libraries Division, Universal Service Administrative Company, Box 125 - Correspondence Unit, 100 South Jefferson Road, Whippany, NJ 07981. You may also call our Client Service Bureau at 888-203-8100.

NEXT STEPS

Once you've reviewed this letter, we urge you to contact your customers to begin any necessary arrangements regarding start of services, billing of discounts or any other administrative details for implementation of E-rate services. Applicants have also been encouraged to contact you regarding their E-rate commitments. Once they receive their Funding Commitment Decisions Letter(s) and service has started, applicants are required to complete and file a Form 486 notifying the SLD that they are currently receiving or have begun receiving services approved for a discount. We will send you a Form 486 Notification Letter when we receive a Form 486 from applicants who cited your SPIN and will also provide guidance on how to invoice the SLD for payment on discounts for services listed in the respective Form 486. See the enclosed notice for more details on next steps.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the universal service mechanisms for schools and libraries. FCC Form 471 Applicants who have received funding commitments continue to be subject to audits and other reviews that SLD or the Commission may undertake periodically to assure that funds have been committed and are being used in accordance with all such requirements. If the SLD subsequently determines that its commitment was erroneously issued due to action or inaction, including but not limited to that by SLD, the Applicant, or service provider, and that the action or inaction was not in accordance with such requirements, SLD may be required to cancel these funding commitments and seek repayment of any funds disbursed not in accordance with such requirements. The SLD, and other appropriate authorities (including but not limited to USAC and the FCC) may pursue enforcement actions and other means of recourse to collect erroneously disbursed funds.

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The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

We appreciate your participation in the E-rate and the work you are doing to connect our communities through telecommunications.

Sincerely,

Kate L. Moore
President, Schools and Libraries Division, USAC

Enclosures

EXPLANATION OF A FUNDING COMMITMENT REPORT

Attached to this letter will be a report for each approved E-rate funding request featuring your SPIN. We are providing the following definitions.

- * **FUNDING REQUEST NUMBER (FRN):** A Funding Request Number is assigned by the SLD to each line completed in Items 15 and 16 of your Form 471 once an application has been processed. This number is used to report to applicants and vendors the status of individual discount requests submitted on a Form 471. Applicants and vendors learned about FRNs when they received their Receipt Acknowledgement Letter and must use these numbers when completing the Form 486 and Invoices. An FRN will never be longer than 10 digits. If a FRN is shorter than 10 digits, applicants are advised to add zeroes to the front of the numbers to reach 10 digits when filing post-commitment forms.
- * **FORM 471 APPLICATION NUMBER:** A unique identifier assigned to a Form 471 application by the SLD (from Item 3b of the Form 471).
- * **FORM 470 USCN:** The Universal Service Control Number is a unique identifier assigned by the SLD to a Form 470 as listed in Item 15/16, Column 2 of the Form 471.
- * **NAME OF 471 APPLICANT:** Name of entity that applied to the SLD, from Item 1 of the Form 471.
- * **NAME OF CONTACT PERSON:** The name of the contact person from Block 1, Item 6 of the Form 471.
- * **PREFERRED MODE OF CONTACT:** e.g., phone, fax, E-mail or standard mail.
- * **PERTINENT CONTACT INFORMATION:** e.g., telephone number, fax number, E-mail address, or mailing address.
- * **FUNDING YEAR:** The funding year for which discounts have been requested.
- * **FUNDING STATUS:** Each FRN will have one of six definitions: "Funded", "Denied", "Partially Funded", "Funds Exhausted", "Unfunded", or "As Yet Unfunded". An FRN that is "Funded" will be approved at the level that SLD determined is appropriate for that item. That will generally be the level requested by the applicant unless the SLD determines during the application review process that some adjustment is appropriate, for example, a different discount percentage for that FRN than the Form 471 featured. A "Denied" FRN is one for which no funds will be committed, and the reason for that decision will be briefly explained in the "Funding Commitment Decision", and amplification of that explanation may be offered in the section, "Funding Commitment Decision Explanation". In accordance with FCC program rules, FRNs are "Partially Funded" or "Unfunded", if the total amount of funds in the Universal Service Fund is insufficient to fully fund or fund all approved requests. If the Form 471 was received after all the funds in the Universal Service Fund were allocated and it was processed, the status will indicate "Unfunded - Funds Exhausted". "As Yet Unfunded" is a temporary status that would be assigned to an FRN when the SLD is uncertain at the time the letter is generated whether there will be sufficient funds to make commitments for a particular service type at a particular discount level. For example, if the application included both telecommunications services and internal connections, the applicant might receive a letter with our funding commitment for its telecommunications requests and a message that its internal connections requests are "As Yet Unfunded". The applicant would then receive a later letter regarding our funding decision on its internal connections requests.
- * **SERVICES ORDERED:** The type of service ordered from the service provider, as shown

on Form 471.

- * PROVIDER CONTRACT NUMBER: The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on Form 471.
- * SHARED SERVICES INDICATOR: This indicates whether the FRN was listed in Item 15 ("Shared" Services) or 16 ("Site-Specific" Services) of the Form 471 application.
- * SITE IDENTIFIER: This will appear only for FRNs listed in Item 16 of your Form 471. For public schools, the 12-digit NCES code you listed in Item 14 for this school site will appear here. If there is no NCES Code for an FRN in Item 16, the SLD-assigned entity number will appear here.
- * EARLIEST POSSIBLE EFFECTIVE DATE OF DISCOUNT: The first possible date of service for which the SLD will reimburse service providers for the discounts for the service. Note: If the actual service start date provided on a Form 486 is later than this date, the actual service start date set forth in the Form 486 will be the effective date of the discount.
- * CONTRACT EXPIRATION DATE: The date the contract expires. This will be present only if a contract expiration date was provided on Form 471. This is not applicable for tariff services.
- * PRE-DISCOUNT COST: Amount in Column 10 of Item 15/16, Form 471, as determined through the application review process. Please note that, during the Problem Resolution process at SLD, the amount in Col. 10 of Item 15/16 may have been corrected to conform to the information provided about Service Start Date and Monthly Costs.
- * DISCOUNT PERCENTAGE APPROVED BY THE SLD: This is the discount rate that the SLD has approved for this service.
- * FUNDING COMMITMENT DECISION: This represents the total amount of funding that the SLD is now reserving to reimburse service providers for the discounts for this service through June 30, 2000. This figure may be different from the Estimated Total Annual Pre-Discount Cost (Col. 10 of Item 15/16) times the Percentage Discount (Col. 11 of Item 15/16) in the 471 application. It may be lower because of an adjustment determined appropriate by the SLD, such as of the discount percentage, or a denial of discounts and, if so, the accompanying comment will explain this difference. The difference may also reflect a reduction from the request level made necessary by overall funding limitations, in which case the "Funding Status" above will indicate "Partially Funded" or "Unfunded". Whatever amount is listed here, it is important that you and the 471 applicant both recognize that the SLD should be invoiced and the SLD may direct disbursement of discounts on only eligible, approved services actually rendered.
- * FUNDING COMMITMENT DECISION EXPLANATION: This entry may appear to amplify the comment in the "Funding Commitment Decision", if the discount request for this service is denied for reasons other than "Unfunded" or if the SLD determined that some adjustment to the request level was appropriate.
- * TECHNOLOGY PLAN APPROVAL STATUS: This indicates whether the technology plans of the entities included in the Form 471 application have received approval, or whether requests for approvals are pending. This is from Item 24 of the Form 471 application.

FUNDING COMMITMENT REPORT FOR SPIN: 143008583 *yes*

Funding Request Number: 238460
Form 471 Application Number: 143513
Form 470 USCN: 810510000151235
Name of 471 Applicant: LOS ANGELES UNIFIED CLUSTER 07
Name of Contact Person: BERNARDO FOSCHETTI
Preferred Mode of Contact: PHONE
Contact Telephone Number: (818) 997-2550
Funding Year: 07/01/1999 - 06/30/2000
Funding Status: Funded
Provider Contract Number: D8-0019429
Services Ordered: Internal Connections (Shared)
Shared Services Indicator: Shared
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: 03/10/2002
Pre-Discount Cost: \$1006225.90
Discount Percentage Approved by the SLD: 89%
Funding Commitment Decision: \$895541.05 - 471 approved as submitted
Technology Plan Approval Status: Approved

Funding Request Number: 238465
Form 471 Application Number: 143513
Form 470 USCN: 810510000151235
Name of 471 Applicant: LOS ANGELES UNIFIED CLUSTER 07
Name of Contact Person: BERNARDO FOSCHETTI
Preferred Mode of Contact: PHONE
Contact Telephone Number: (818) 997-2550
Funding Year: 07/01/1999 - 06/30/2000
Funding Status: Funded
Provider Contract Number: D8-0019429
Services Ordered: Internal Connections (Shared)
Shared Services Indicator: Shared
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: 03/10/2002
Pre-Discount Cost: \$1080268.50
Discount Percentage Approved by the SLD: 89%
Funding Commitment Decision: \$961438.97 - 471 approved as submitted
Technology Plan Approval Status: Approved

✓ Funding Request Number: 260296 *✓*
Form 471 Application Number: 151469
Form 470 USCN: 810510000151235
Name of 471 Applicant: LOS ANGELES UNIFIED CLUSTER 07
Name of Contact Person: BERNARDO FOSCHETTI
Preferred Mode of Contact: PHONE
Contact Telephone Number: (818) 997-2550
Funding Year: 07/01/1999 - 06/30/2000
Funding Status: Funded
Provider Contract Number: D900211056
Services Ordered: Internal Connections (Shared)
Shared Services Indicator: Shared
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: 06/30/2004
✓ Pre-Discount Cost: \$1998925.00 ✓
Discount Percentage Approved by the SLD: 89%
Funding Commitment Decision: \$1779043.25 - 471 approved as submitted
Technology Plan Approval Status: Approved

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two*

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FUNDING COMMITMENT REPORT FOR SPIN: 143008583

Funding Request Number: 260299 ✓
Form 471 Application Number: 151469
Form 470 USCN: 810510000151235
Name of 471 Applicant: LOS ANGELES UNIFIED CLUSTER 07
Name of Contact Person: BERNARDO FOSCHETTI
Preferred Mode of Contact: PHONE
Contact Telephone Number: (818) 997-2550
Funding Year: 07/01/1999 - 06/30/2000
Funding Status: Funded
Provider Contract Number: D900211056
Services Ordered: Internal Connections (Shared)
Shared Services Indicator: Shared
Earliest Possible Effective Date of Discount: 07/01/1999
✓ Contract Expiration Date: 06/30/2004
Pre-Discount Cost: \$4982955.00 ✓
Discount Percentage Approved by the SLD: 89%
Funding Commitment Decision: \$4434829.95 - 471 approved as submitted
Technology Plan Approval Status: Approved

Funding Request Number: 260304 ✓
Form 471 Application Number: 151469
Form 470 USCN: 810510000151235
Name of 471 Applicant: LOS ANGELES UNIFIED CLUSTER 07
Name of Contact Person: BERNARDO FOSCHETTI
Preferred Mode of Contact: PHONE
Contact Telephone Number: (818) 997-2550
Funding Year: 07/01/1999 - 06/30/2000
Funding Status: Funded
Provider Contract Number: D900211056
Services Ordered: Internal Connections (Shared)
Shared Services Indicator: Shared
Earliest Possible Effective Date of Discount: 07/01/1999
↓ Contract Expiration Date: 06/30/2004
Pre-Discount Cost: \$5155375.00 ✓
Discount Percentage Approved by the SLD: 89%
Funding Commitment Decision: \$4588283.75 - 471 approved as submitted
Technology Plan Approval Status: Approved

Funding Request Number: 260351 ✓
Form 471 Application Number: 151469
Form 470 USCN: 810510000151235
Name of 471 Applicant: LOS ANGELES UNIFIED CLUSTER 07
Name of Contact Person: BERNARDO FOSCHETTI
Preferred Mode of Contact: PHONE
Contact Telephone Number: (818) 997-2550
Funding Year: 07/01/1999 - 06/30/2000
Funding Status: Funded
Provider Contract Number: D900211057
Services Ordered: Internal Connections (Shared)
Shared Services Indicator: Shared
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: 06/30/2004
Pre-Discount Cost: \$36000.00 ✓
Discount Percentage Approved by the SLD: 89%
Funding Commitment Decision: \$32040.00 - FRN approved; modified by SLD
Technology Plan Approval Status: Approved

EXHIBIT F

EXHIBIT A

REGULAR PURCHASE ORDERS REPORTED IN DETAIL

Bid No. & P.O. No.	Basis of Award	Quantity	Description	Previous Price	Unit Price (Disc. Price)	Vendor & Gross Cost Inc. Tax
<u>GRANT/VAN NUYS CLUSTER</u>						
ER-98-001 D0-00229590	Low per spec., 5 higher	1 lot	Networking equipment for schools within Grant/Van Nuys Cluster (This is an E-Rate qualifying bid) • Total value of award: \$2,086,494.40 • Total payable by the S.L.D.: \$1,856,980.02 • Total payable by the District: \$229,514.38 • E-Rate discount applied to total amount of award: 89%	new	212,022.52	Premio Computers, Inc. \$229,514.38
98-001 1067	Low per spec., 8 higher	1 lot	Networking equipment for schools within Grant/Van Nuys Cluster (This is an E-Rate qualifying bid) • Total value of award: \$9,006,430.00 • Total payable by the S.L.D.: \$8,015,722.70 • Total payable by the District: \$990,707.30 • E-Rate discount applied to total amount of award: 89%	new	915,203.04	Inter-Tel Technology \$990,707.30
9-001 0211056	Low per spec., 8 higher	1 lot	Networking equipment for schools within Grant/Van Nuys Cluster (This is an E-Rate qualifying bid) • Total value of award: \$12,137,255.00 • Total payable by the S.L.D.: \$10,802,156.95 • Total payable by the District: \$1,335,098.05 • E-Rate discount applied to total amount of award: 89%	new	1,233,346.80	Premio Computers, Inc. \$1,335,098.05